

APPENDIX B

I

NON-DISCLOSURE

This NON-DISCLOSURE AGREEMENT is made and entered into as of the 6 day of February, 2001 by and between GUNNER LARSSON (the "Discloser"), and **FENDER MUSICAL INSTRUMENTS CORPORATION**, a Delaware corporation, having a principal place of business at 7975 N. Hayden Road, Scottsdale, Arizona 85258 (the "Company").

Discloser possesses information or data relating to power attenuator for use with guitar amplifiers which he consider to be secret and confidential and to constitute a valuable commercial asset.

Discloser is willing, subject to the following terms and conditions, to disclose to the Company as much of such information and data ("Discloser's Technology") as Discloser desires, for the sole purpose of enabling the Company to evaluate such technology and determine if it is interested in entering into a business relationship in regard to such technology.

In consideration of receipt by the Company of the below-defined Confidential Information, the Company agrees as follows:

1. The term "Confidential Information," as used in this Agreement, means all information and data, of a technical or engineering or invention-disclosing nature, supplied to or obtained by the Company from Discloser, relating to Discloser's Technology.
2. The Company agrees, with respect to all Confidential Information it receives from Discloser pursuant to this Agreement, that for a period of one (1) year from the date it receives such information:
 - a) unless the Company receives express prior written consent from Discloser, to use such Confidential Information only for the purpose specified above; and
 - b) to use at least the same high degree of care to prevent disclosure to third parties of the Confidential Information received under this Agreement as the Company employs with respect to its own proprietary information.

NDA1.doc

APPENDIX BIINon-Disclosure Agreement
Page 2

3. The above restrictions as to disclosure and use of Confidential Information shall not apply:
- a) unless the information and data are disclosed to the Company in writing, or other tangible form, and are clearly and conspicuously marked as being confidential, or, if disclosed orally, are repeated in writing and clearly identified as being confidential within thirty (30) days after such oral disclosure; or
 - b) to any information or data which is or shall hereafter become part of the public domain through no fault of the Company or breach of this Agreement by the Company; or
 - c) to any information or data which is known to the Company as clearly evidenced by the Company's written records, before receipt of the information or data from Discloser; or
 - d) to any information or data which the Company can clearly show is rightfully received by the Company from a third party without restriction, and without breach by the Company of this Agreement.
4. All written information and data delivered by Discloser to the Company pursuant to this Agreement shall remain the property of Discloser, and all such written information and data shall promptly be returned to Discloser as soon as Discloser so requests in writing.
5. Discloser represents that, to the best of his, her or its knowledge, all Confidential Information submitted to the Company under this Agreement is rightfully owned by Discloser and has not been sold or licensed to others.
6. Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise, expressly, implied, or otherwise, to any invention, discovery, or improvement made, conceived, or acquired prior to or after the date of this Agreement.
7. The validity and interpretation of this Agreement and the legal relations of the parties to it shall be governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, Discloser and Company have executed this Non-Disclosure Agreement as of the date first above written.

By: 

Its: _____

FENDER MUSICAL INSTRUMENTS
CORPORATIONBy: 

Its: Vice President

APPENDIX B

III

Gunnar Larsson

From: Shane Nicholas <snicholas@fenderusa.com>
To: Gunnar Larsson <larssongs@web.de>
Sent: Monday, April 02, 2001 6:25 PM
Subject: Re: long time

Gunnar,
Thank you for the message. Sorry to hear about your loss.

We who listened to your demonstration unit in January agreed that it seemed to work well. We would theoretically be interested in the power attenuator itself, not your completed amp as it is. We would desire the opportunity to use the attenuator in whatever product we want. And as we still do not know exactly how it works or what it is made of, it is impossible to say if we want to use it. The non-disclosure agreement (as well as the patent) would prevent us from "stealing" your idea. We need more technical information about your attenuator before we can proceed.

Best Regards,

Shane Nicholas

Gunnar Larsson wrote:
Hi Shane,

this is Gunnar Larsson, the guy with the power attenuator patent. I am very sorry that i have kept silent this long. But when i came back to Germany i had to face the news that my father had unexpectedly passed away during the time of my trip. I was just back in time for the funeral. This of course kind of kicked me totally out of my routine and I am still not over it. I have to go to New York tomorrow for 3 weeks, recording and pre-producing with my bandmate who lives there now. As soon as I'll be back we should definitely start our e-mail conversation about the amp. Did you like my concept or do you think Fender might generally just be interested in the technology. I have thought about it quite a lot, have a complete marketing plan and a strong trademark. Did you personally liked it as a player? Anyway, let's touch base as soon as we have a chance to. If by any circumstances you or somebody else likes to contact me in NY, the number is 718.438-0483 and I'll be there from April 2nd until April 23rd.
Yours sincerely,